

Ag exports

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In addition, a number of oil producers individually have announced steep price increases since supplies of Iranian oil were disrupted.

While the OPEC oil price increase will curtail the buying power of some nonmember countries, the overall effect on U.S. agricultural exports is expected to be slight.

EC and Japan

Economic growth in the two largest markets — the European Community (EC) and Japan — is expected to exceed the 2-per cent forecast for the U.S. in 1979. This, coupled with the depreciation of our dollar, is spurring our exports.

Larger sales are also expected to the OPEC countries, whose capacity to import is increasing sharply as a result of the oil price hike.

Economic growth for the developing countries as a group is projected at annual rate of over five per cent in 1979. Only a few, like Zambia, will face major financing constraints.

Major U.S. markets — especially Korea, Taiwan, and Mexico — have favorable growth the payments prospects.

Commodity outlook

As usual, the outlook for U.S. exports varies, depending on the commodity. Export values are expected to swell for most commodity groups, with oilseeds a particularly big gainer.

Following a 30-per cent volume gain in fiscal 1978, soybean exports are expected to increase another tenth this year — to a record of over 21 million tons. Sales value will also rise to an all-time high of \$8.7 billion.

The surge in sales this year is the result of strong global demand, plus some tightening in world supplies as poor weather has lowered prospects for Brazil's soybean crop.

One of the key elements in the forecast of U.S. soybean shipments is a projected 5-per cent increase in prospective exports to the EC, reflecting their continued push to expand livestock output. This increase follows on the heels of a 28-per cent gain in fiscal 1978.

Soviets need U.S. soybeans

In addition, the Soviet Union had another below-average sunflowerseed crop last year and is expected to turn to the U.S. for over 1 million tons of soybeans to fill the gap.

U.S. feed grain exports are now expected to top last year's record despite the sharp increase in world production and a buildup in world stocks.

Exports during October-January were about 1 million tons above those of a year earlier. Key factors in the market this year are: the opening of the Chinese market for 3½ million tons of U.S. corn; larger than anticipated exports to the EC as result of their continued buildup in hog and poultry production; and exports to the USSR well above the minimum 3-million-ton level set in the grain agreement.

This latter reflects continued expansion in the Soviets' livestock and poultry industries and a decline in their 1978 corn crop.

Stiff competition for wheat

U.S. wheat exports in fiscal 1979 will be down about six per cent. The reason: Last year's record world output of 436 million tons reduced demand and increased competition in major markets.

Major factors in the wheat export market include a likely cut of 10 to 15 per cent in sales to the EC because of that area's record 1978 crop and some slippage in sales to the USSR in light of that country's record wheat harvest. Our wheat exports this year are likely to total little more than the minimum 3 million tons required by the US — USSR grain agreement.

However, a new market for wheat in China will help offset some of the smaller sales elsewhere. The Chinese are in the world market for about 9 million metric tons of wheat to use for upgrading diets and stockpiling. The U.S. will probably supply about 3 million tons of that total.

Big gains

Exports of most other commodities are expected to gain significantly in fiscal 1979.

U.S. cotton exports should remain very large. Despite a smaller crop last year, our export supplies are adequate and U.S. prices are competitive on the world market. World import demand is expected to remain strong, and production in several other countries has been disrupted by bad weather. Thus, U.S. export volume should remain very large.

For animal products, higher prices are expected to push

export values to a record \$3.3 billion. Beef and slaughter cattle exports to Canada are expected to increase because of reduced Canadian production and the easing of restrictions regarding chemical residues. Also, we should sell more beef to Japan, where demand for meat continues to outstrip domestic production capacity.

Poultry and eggs

Poultry and egg shipments are expected to continue to expand, with sales increasing to the Caribbean, Japan, Hong Kong, Singapore, and the EC. However, the value of our dairy sales continues its downward trend because of low prices on the world market for nonfat dry milk.

For tobacco, a 6-per cent volume increase is in prospect. Stocks of US leaf are small in many countries, and the depreciation of the US dollar has restrained price increases to importers. Larger sales are forecast to Japan, the EC, Thailand, and South Korea.

Fruits and vegetables should score some gain in export value, although volume could slip for several items. US exports of citrus and dried fruits are likely to fall because of reduced US production and increased competition in the EC from Mediterranean producers.

Meat and meat products

The value gain for meat and meat products alone represents over three-fourths of the total expected increase in our import bill. Reduced US beef output is prompting larger exports on our part, while world market prices for meats have been boosted by the tighter worldwide supplies and the stronger demand that has occurred because of gains in real income.

If the current forecast of US exports and imports is near the mark, the agricultural trade surplus — exports less imports — will increase again this year. It might total \$15 billion, compared with \$13.4 billion in fiscal 1978.

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A firm, compact cluster of small flower buds, with none opened enough to show the bright yellow flower, is a good indication of fresh broccoli, now one of the most popular vegetables in this country. Bud clusters should be dark green or sage green and stems should not be too thick or tough, USDA research indicates.

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Firm or hard heads of cabbage that are heavy for their size are usually recommended when buying cabbage for any purpose. Outer leaves should be a good green or red color (depending on type) and free from serious blemishes. Discard the outer "wrapper" leaves. Too many on a head are wasteful, says USDA.

Egg fines protested

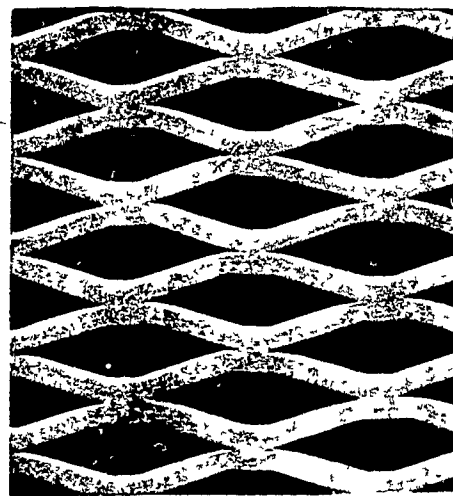
NEW YORK — Egg producers and packers who ship into New York City are in an uproar over fines of \$20.00 per dozen being levied by that city's Department of Consumer Affairs for egg weight violations. The heavy fines on eggs are the result of a Department order in January to double the amounts of fines, according to Stephen Bokser, president of the Greater New York Metropolitan Food Council. A letter from Bokser, which appeared in a recent SPICE (the New York State poultry group) newsletter, said that the move was made without notification of food industry representatives.

Appearing in the same newsletter were comments

from several individuals who had suffered from the crackdown, who protested "monetary penalties which amount to thousands of dollars for some small violation." For example, one said, "As little as 1/16 of an ounce weight differential in a dozen eggs can restrict the sale of a great many dozens and force a financial burden upon the producer-packer."

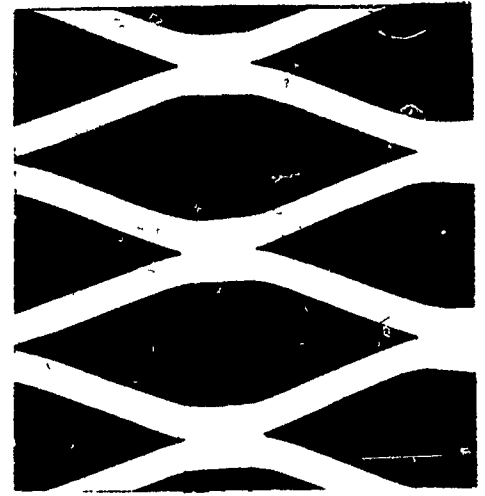
"If a \$20.00 per dozen penalty isn't enough to stop the continuous egg packer violations," an Assistant Commissioner for Consumer Affairs told SPICE representatives, "we can always go to the limit to which the law allows, and that is \$100.00 per dozen fine."

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